

THE 2008 CHICAGO GROCER EXPO

Prime “food oasis” sites ■ Citywide development opportunities
Financial incentives ■ City contacts



Richard M. Daley
Mayor



Planning & Development
City of Chicago

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NOTICE: Sites included in the Grocer Expo booklet are intended as an introduction to potential grocery locations in Chicago neighborhoods. Information on additional sites is available from the Department of Planning and Development, local aldermen, community groups and real estate professionals.

INTRODUCTION

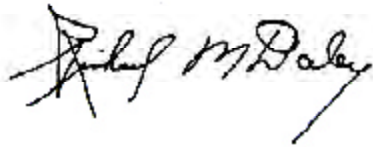
As part of the ongoing effort to enhance shopping opportunities in city neighborhoods, the Department of Planning and Development is proud to present the "2008 Chicago Grocery Expo" and accompanying reference booklet.

The Expo is an introduction to more than 40 sites and buildings that possess unique potential for grocery store development. Their use for food-related retail businesses would provide nutrition, goods, services and employment for area residents.

While redevelopment of all the sites would benefit local populations that are currently under-served by grocery-related businesses, six locations are considered priority locations due to an exceptional mix of need, opportunity, geography and strategy. Located in "food deserts," where healthy grocery goods are scarce to non-existent, each site's redevelopment could instead serve as a "food oasis" that contributes to the health and quality of life for residents and businesses located on nearby blocks.

To help grocers and related businesses access these and other opportunities in Chicago, the Expo booklet also includes demographics and overviews of city incentives for retail businesses. Department of Planning and Development staff are happy to provide additional information both during and after the Expo.

Thanks for your interest and good luck with your business in Chicago.

A handwritten signature in black ink, reading "Richard M. Daley". The signature is stylized with a large, prominent "R" and "D".

Richard M. Daley, Mayor

Grocery Oasis Site #1



115th Street & Michigan Avenue

The intersection of 115th Street & Michigan Avenue has two locations available for new retail construction. Site A is the former home of Roseland Plaza shopping center and contains nearly 1,000 feet of arterial street frontage. Site B, with more than 400 feet of street frontage, previously included commercial buildings. Both are largely city-owned and mostly vacant.

SIZE:

Site A: 6.1 acres
Site B: 1.1 acres

ZONING:

Site A: B5-1
Site B: C1-1

DEVELOPMENT INCENTIVES:

- Tax Increment Financing (Roseland-Michigan)
- New Market Tax Credits

COMMUNITY AREA:

Roseland

COMMUNITY MARKET DATA (in millions):

Estimated Expenditures: \$535.76
Estimated Retail Sales: \$195.34
Expenditure Leakage \$: \$340.43
Expenditure Leakage %: 64%
Concentrated Buying Power (\$/sq mi) \$110.92

SOURCE: LISC/METRO Edge

OWNERS/CONTACT:

Site A: City of Chicago/Karen Forte (312) 744-0538
Crown Real Estate/Musa Tadros (815) 464-6661
Site B: City of Chicago/Karen Forte (312) 744-0538

Grocery Oasis Site #2



4700-56 W. Madison Ave.

Located along a major transportation corridor that connects stable suburban communities to the west and rapidly growing city neighborhoods to the east, the site is uniquely suited for grocery-related investment due to the lack of nearby stores. Mostly vacant and surrounded by an under-served residential population, the address is within a half mile of two CTA rapid transit lines and I-290.

SIZE:

2.4 acres

ZONING:

B3-2

DEVELOPMENT INCENTIVES:

- Tax Increment Financing (Madison/Austin)
- Small Business Improvement Fund
- New Market Tax Credits
- Empowerment Zone (West)
- Enterprise Zone (#5)

COMMUNITY AREA:

West Garfield Park

COMMUNITY MARKET DATA (in millions):

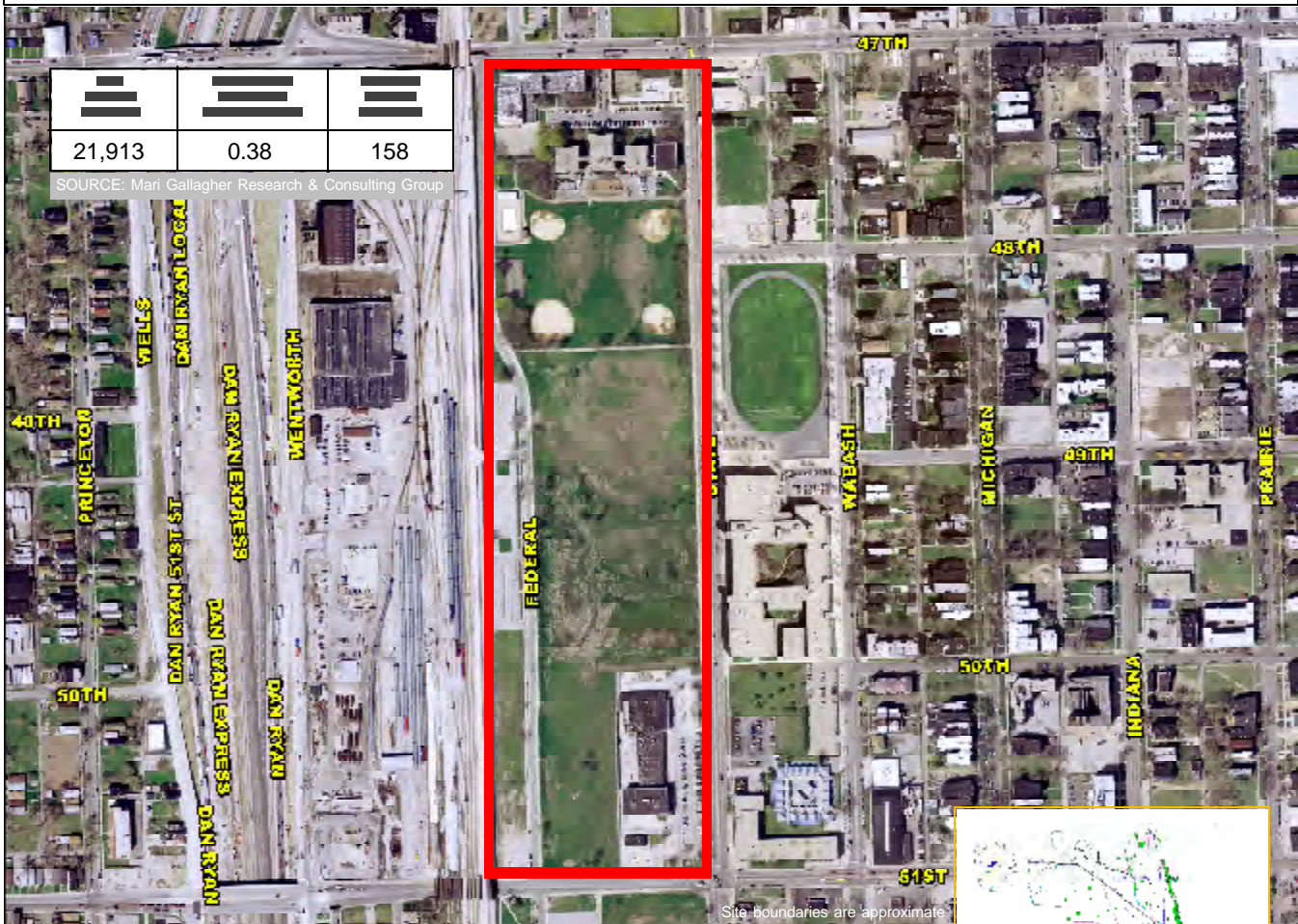
Estimated Expenditures: \$182.20
Estimated Retail Sales: \$138.11
Expenditure Leakage \$: \$44.09
Expenditure Leakage %: 24%
Concentrated Buying Power (\$/sq mi): \$142.34

SOURCE: LISC/METRO Edge

OWNERS/CONTACT:

City of Chicago/Chip Hastings (312) 744-0538

Grocery Oasis Site #3



21,913	0.38	158

SOURCE: Man Gallagher Research & Consulting Group

4700-5100 S. State St.

Site of the former Robert Taylor Homes public housing complex, the approximately four-block long tract is intended to support retail development that serves mixed-income housing being built on adjacent streets. Located along a major arterial and directly south of the city's fastest growing residential areas, the location provides convenient access to I-90/94 and a CTA rapid transit line.

SIZE:

39.9 acres

ZONING:

RT-4, POS-1, B3-3

DEVELOPMENT INCENTIVES:

- Tax Increment Financing (47th/State)
- New Market Tax Credits
- Empowerment Zone (South)
- Enterprise Zone (#5)

COMMUNITY AREA:

Grand Boulevard

COMMUNITY MARKET DATA (in millions):

Estimated Expenditures: \$222.10
 Estimated Retail Sales: \$108.77
 Expenditure Leakage \$: \$113.33
 Expenditure Leakage %: 51%
 Concentrated Buying Power (\$/sq mi): \$129.88

SOURCE: LISC/METRO Edge

OWNERS/CONTACT:

City of Chicago/Randall Butts (312) 744-3029

Grocery Oasis Site #4



13,831	0.27	107

SOURCE: Mari Gallagher Research & Consulting Group

1 S. Western Ave.

Located at the intersection of two main arterials directly west of the Loop, the mostly vacant, city-owned site has approximately 400 feet of street frontage. It's close to a CTA rapid transit line and thriving industrial corridor to the north, I-290 to the south, and several new residential developments to the east and west. Several retail developments are also recently completed in the area.

SIZE:

3.0 acres

ZONING:

B3-3/RM-5

DEVELOPMENT INCENTIVES:

- Tax Increment Financing (Central West)
- New Market Tax Credits

COMMUNITY AREA:

Near West Side

COMMUNITY MARKET DATA (in millions):

Estimated Expenditures: \$678.17
 Estimated Retail Sales: \$1,636.58
 Expenditure Leakage \$: (\$958.41)
 Expenditure Leakage %: -141%
 Concentrated Buying Power (\$/sq mi): \$118.56

SOURCE: LISC/METRO Edge

OWNERS/CONTACT:

City of Chicago/Mark Muenzer (312) 744-5822

Grocery Oasis Site #5



Formerly a 60,000-square-foot Dominick's supermarket and now vacant, the opportunity site is located one block west of I-90/94 along a high-traffic arterial. It's surrounded by a stable residential population as well as active industrial and retail businesses. It includes parking for more than 300 vehicles and two additional retail buildings that housed a convenience store and laundromat.

SIZE:

5.4 acres

ZONING:

PD 338

DEVELOPMENT INCENTIVES:

- Tax Increment Financing (79th/Vincennes)
- New Market Tax Credits

COMMUNITY AREA:

Greater Grand Crossing

COMMUNITY MARKET DATA (in millions):

Estimated Expenditures: \$381.11
 Estimated Retail Sales: \$234.19
 Expenditure Leakage \$: \$146.91
 Expenditure Leakage %: 39%
 Concentrated Buying Power (\$/sq mi): \$107.66

SOURCE: LISC/METRO Edge

OWNERS/CONTACT:

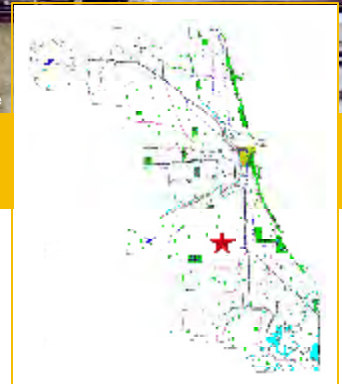
Crown Real Estate/Musa Tadros (815) 464-6661
 City of Chicago/Michelle Nolan (312) 744-4477

Grocery Oasis Site #6



63rd & Halsted streets (NWC)

Located at the center of a rapidly developing mixed-use community, the site is mostly vacant and entirely city-owned. Long targeted for grocery store development to reinforce its historic role as an urban shopping corridor, the location compliments new and pending retail structures on adjacent streets as well as the recently completed Kennedy-King College.



SIZE:

12.5 acres

ZONING:

C1-2

DEVELOPMENT INCENTIVES:

- Tax Increment Financing (Englewood Mall)
- Enterprise Zone (#6)
- New Market Tax Credits

COMMUNITY AREA:

Englewood

COMMUNITY MARKET DATA (in millions):

Estimated Expenditures: \$299.78
 Estimated Retail Sales: \$87.36
 Expenditure Leakage \$: \$212.42
 Expenditure Leakage %: 71%
 Concentrated Buying Power (\$/sq mi): \$97.65

SOURCE: LISC/METRO Edge

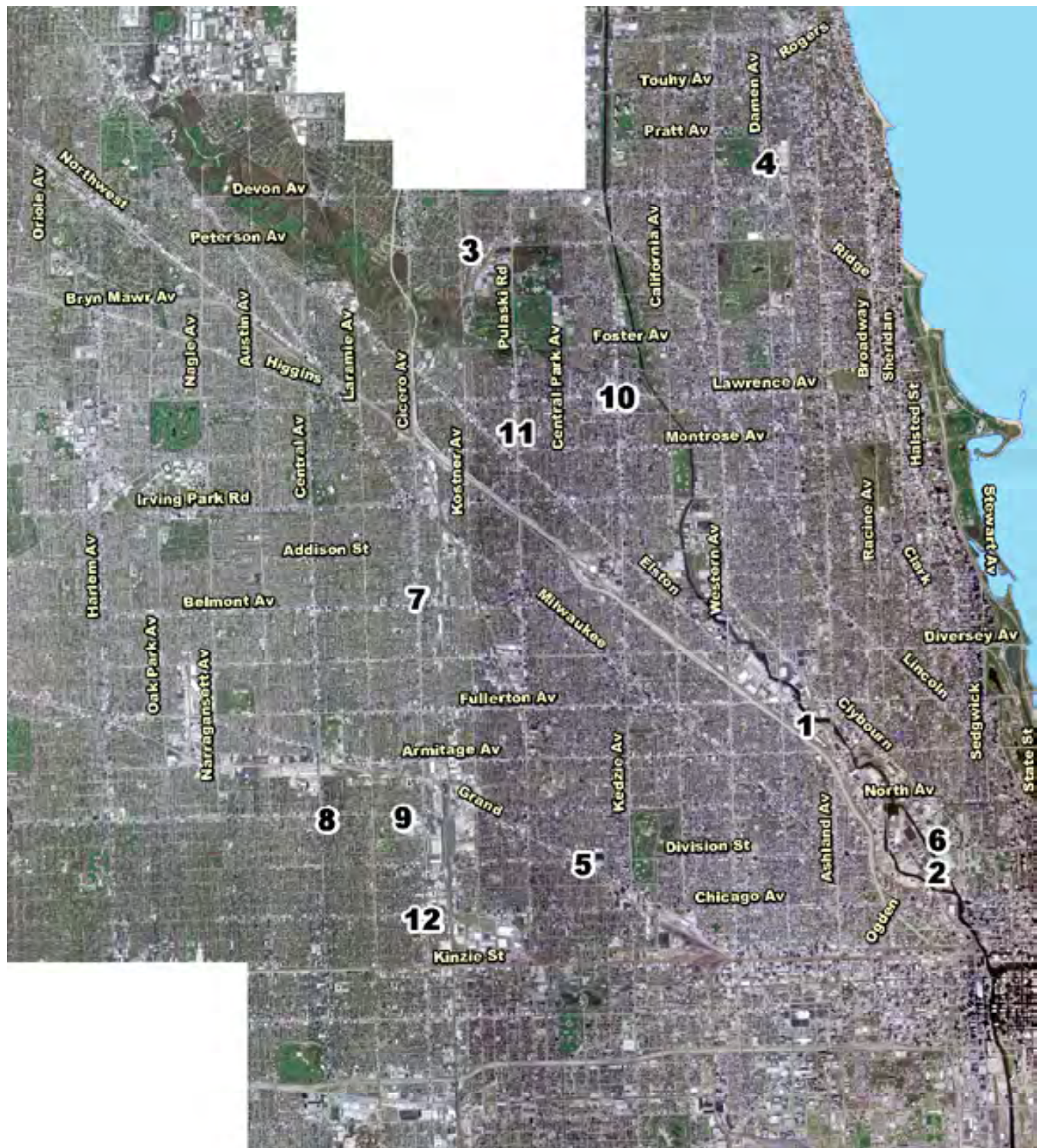
OWNERS/CONTACT:

City of Chicago/Will Malone (312) 744-6434

NORTH SIDE Grocery Opportunity Sites



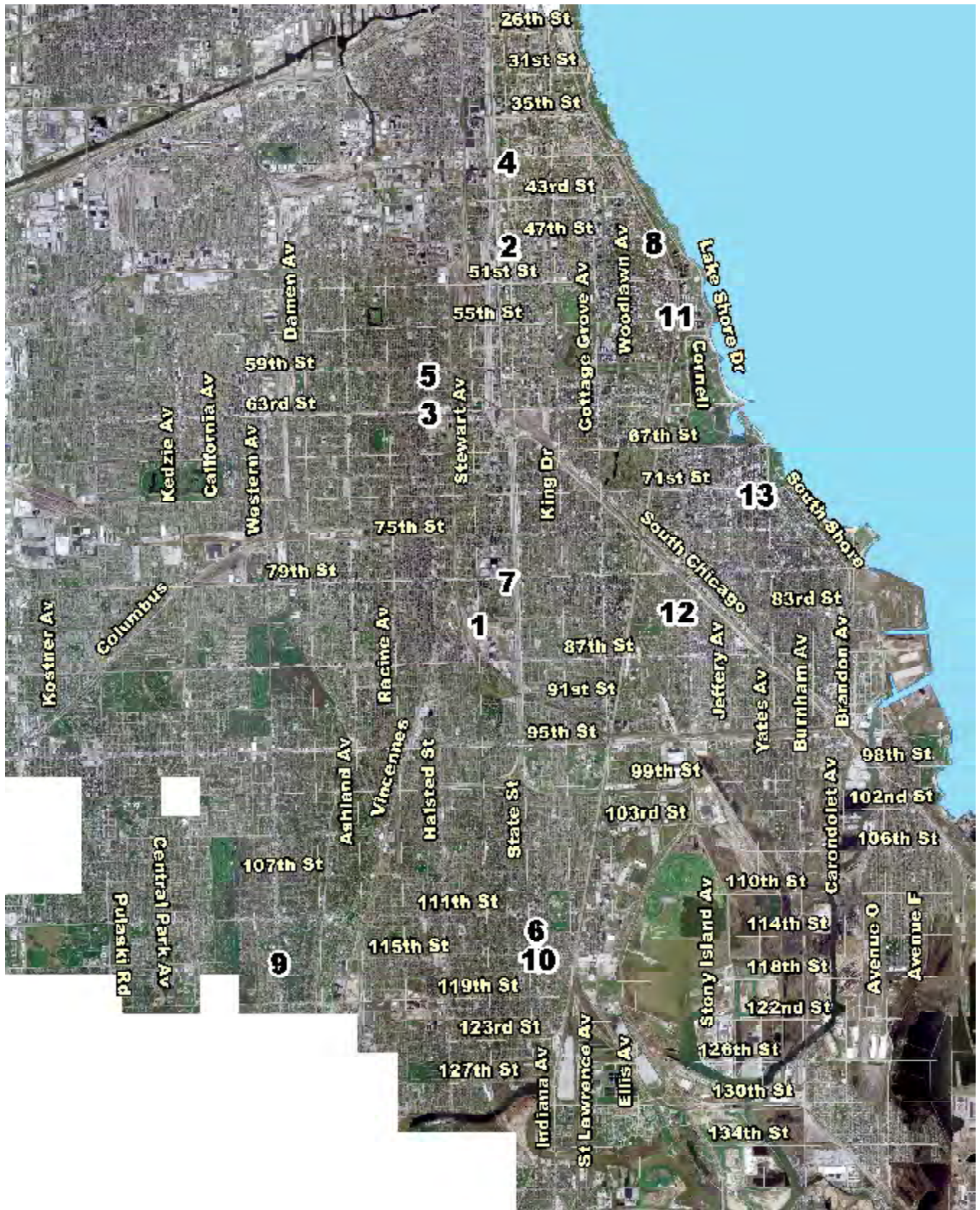
Address	Size	Zone	Comment	Contact
1. 2241 N. Elston Ave.	10 acres	M3-3	Vacant riverfront buildings	Charlie Gross (773) 975-9524
2. 1210 N. Kingsbury St.	3.4 acres	M3-3	Vacant land	Howard Garoon (773) 539-1800
3. 4300 W. Peterson Ave.	3 acres	PD937	Vacant land	Denise Roman (312) 744-6502
4. 6623 N. Damen Ave.	3 acres	PD338	60,000-s.f.-store, vacant	Kevin Felner (630) 891-5730
5. 3540 W. Division St.	2.7 acres	M2-1	One-story building w/parking	Luis Monterrubio (312) 744-4162
6. 1400 N. Dayton Ave.	2.5 acres	C3-5	Vacant land	Jeff Berta (312) 928-0728
7. 3300 N. Cicero Ave.	1.5 acres	C2-1	Largely vacant w/parking	Michael Christopoulos (773) 283-8100
8. 5454 W. North Ave.	.77 acres	B3-1	Vacant bldg. w/parking	Linda Korsah (312) 744-5799
9. 4918 W. North Ave.	.56 acres	C2-1	Vacant bldg. w/parking	Linda Korsah (312) 744-5799
10. 4822 N. Kedzie Ave.	0.43 acres	PD	Vacant land	Denise Roman (312) 744-6502
11. 4559 N. Pulaski Ave.	0.42 acres	B1-1	Vacant land	Denise Roman (312) 744-6502
12. 4814 W. Chicago Ave.	0.36 acres	B3-1	Vacant land	Linda Korsah (312) 744-5799



SOUTH SIDE Grocery Opportunity Sites



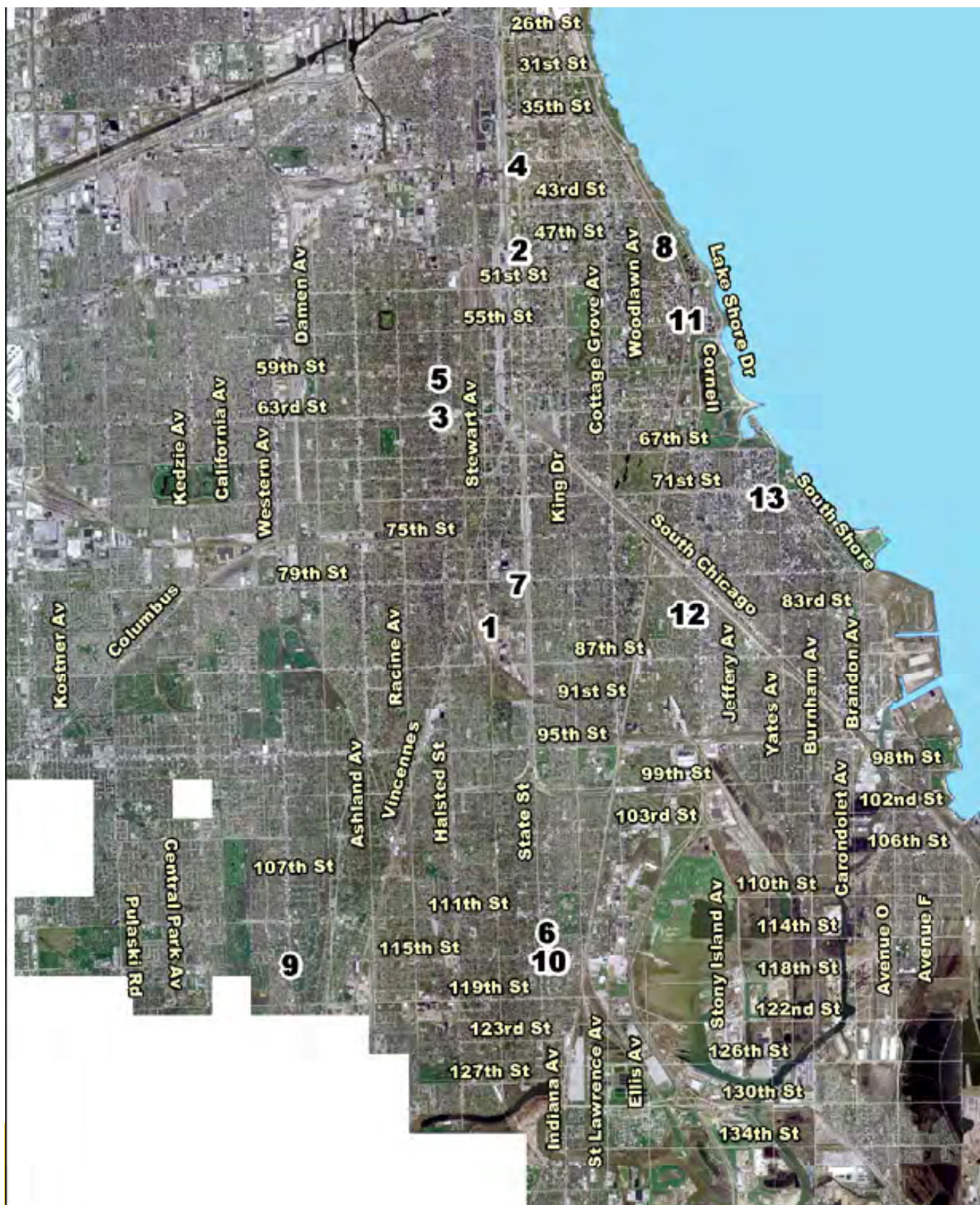
Address	Land Area	Zone	Comment	Contact
1. 8301 S. Stewart Ave.	50 acres	PD966	450,000 s.f. of planned retail space	Peggy Kral (312) 629-7825
2. 4700 S. State St.	39.9 acres	(See page 8)		
3. 6242 S. Halsted St.	12.5 acres	(See page 11)		
4. 3900 S. State St.	8.7 acres	B3-2	330,000 s.f. of planned retail space	Randall Butts (312) 744-3029
5. 5900 S. Halsted St.	8.5 acres	PD978	Partially vacant land	Michelle Nolan (312) 744-4477
6. 11500 S. Michigan Ave.	6.1 acres	(See page 6)		
7. 7900 S. Perry Ave.	5.4 acres	(See page 10)		
8. 4700 S. Lake Park Ave.	4.3 acres	C2-3/B3-3	40,000-s.f.-grocery bldg., vacant	James Wilson (312) 744-2379
9. 11445 S. Western Ave.	2.3 acres	RS-3/B3-1	Vacant land	Dan Klaiber (312) 744-4470
10. 11501 S. Michigan Ave.	1.1 acres	(See page 6)		
11. 5228 S. Lake Park Ave.	1 acre	PD 38	City parking lot	James Wilson (312) 744-2379
12. 8220 S. Stony Island	0.9 acres	C2-2	21,000-s.f.-grocery bldg., vacant	Musa Tadros (815) 464-6661
13. 7117 S. Yates St.	0.8 acres	C1-3	17,000-s.f.-grocery bldg., vacant	Lisa Washington (312) 744-4476



WEST SIDE Grocery Opportunity Sites



	Address	Size	Zone	Comment	Contact
1.	7601 S. Cicero Ave.	68 acres	B3-2	1.4 million s.f. for lease	Greg Rose (312) 466-4010
2.	4501 W. 26th St.	48 acres	PD511	45,000 s.f. for lease	Eric Salcido (312) 345-4700
3.	7101 S. Cicero Ave.	26 acres	PD811	Shopping ctr. out lots avail.	Mary T. Bonome (312) 744-9413
4.	1719 W. Pershing Road	16 acres	M2-3	Partially occupied bldgs.	Patrick Murphey (312) 744-5798
5.	3900 S. Normal Ave.	10 acres	M2-3	Vacant land	John Molloy (312) 744-7223
6.	3600 S. Western Ave.	5.6 acres	PD 990	20,000 s.f. for lease	Dave Dubin (773) 427-2440
7.	1 S. Western Ave.	3 acres	(See page 9)		
8.	3200 S. Archer Ave.	2.8 acres	M1-2	Partially vacant land	John Molloy (312) 744-7223
9.	4700 W. Madison St.	2.4 acres	(See page 7)		
10.	4703 W. Madison St.	2.3 acres	B3/C2	Mostly vacant land	Chip Hastings (312) 744-0765
11.	4501 W. Madison St.	2.2 acres	C2/M1	V acant land	Chip Hastings (312) 744-0765
12.	4325 S. Cicero Ave.	1.7 acres	B3-1	Vacant land	Badar Zaheer (773) 895-4647 Salamat Sheikh (312) 671-1818
13.	3915 W. Washington St.	1.4 acres	RT-4	Vacant land	Chip Hastings (312) 744-0765
14.	4301 S. Cicero Ave.	0.9 acres	B3-1	Vacant land	Jim Horan (312) 744-8562
15.	6301 S. Kilbourn Ave.	0.9 acres	B1-1	11,500-s.f. bldg. w/parking	Mary T. Bonome (312) 744-9413
16.	4740 S. Cicero Ave.	0.7 acres	B3-1	Vacant land	Jim Horan (312) 744-8562
17.	5200 S. Cicero Ave.	0.7 acres	M2-1	Occupied restaurant bldg.	Anthony Baroud (847) 514-4044
18.	5101 S. Cicero Ave.	0.5 acres	B3-1	Planned retail development	Howard Weiner (312) 961-1333
19.	2055 W. Madison St.	0.4 acres	B1-3	Vacant land	Mark Muenzer (312) 744-5822
20.	2588 S. Blue Island Ave.	0.3 acres	C1-3	Vacant land	Fernando Espinoza (312) 744-8568



CITY INCENTIVES

TAX INCREMENT FINANCING (TIF)

Provides financial assistance to businesses that are investing in parts of the city that are blighted or in danger of becoming blighted.

Funds are usually in conjunction with private development projects to build and repair roads and infrastructure, clean polluted land and put vacant properties back to productive use. Funding levels for specific projects are coordinated with district plans and goals. Funds are generated by growth in the Equalized Assessed Valuation (EAV) of properties within designated districts over a period of 23 years. When an area is declared a TIF district, the amount of property tax the area generates is set as a base EAV amount. As property values increase, property tax growth above that amount can be used to fund redevelopment projects within the district. Under state law, areas proposed for TIF designation must possess numerous blighting factors to be eligible. The Department of Planning and Development assists businesses with TIF funds through redevelopment agreements. Terms for each agreement are negotiated and presented for approval to the Community Development Commission. If approved by the commission, the department advertises its intention to enter into a redevelopment agreement with the developer. If no responsive alternative proposals are received, the redevelopment agreement is finalized and presented to the Chicago City Council for approval. If approved by City Council, the city is authorized to enter into the agreement.

ELIGIBILITY *Expenses eligible for TIF assistance include:*

- ℄ Studies, surveys and marketing expenses
- ℄ Acquisition of land, site preparation and environmental cleanup
- ℄ Rehabilitation or repair of existing buildings, fixtures and leasehold improvements
- ℄ Construction of public works improvements
- ℄ Job training or retraining programs, including “welfare to work” programs
- ℄ Certain financing, relocation, and capital costs

TERMS AND CONDITIONS

- ℄ Properties must be located in a city TIF district.
- ℄ Applicants must be in compliance with all City of Chicago license requirements and must not be delinquent on any city, state or federal obligations.

Expenses not eligible for grants include: new construction, initial tenant build outs, minor repairs or improvements, purchase of equipment and minor site improvements.

STREAMLINED TAX INCREMENT FINANCING

Provides expedited TIF assistance for small- and medium-sized improvements to industrial, commercial, retail or residential mixed-use properties in city tax increment financing districts. The program incorporates an easy-to-use application form and efficient approval process to pay up to 25 percent of renovation, expansion, or redevelopment costs. Proposals must demonstrate a need for TIF assistance.

ELIGIBILITY

Expenses eligible for Streamlined TIF assistance include:

- Land acquisition, clearance and site preparation
- Certain environmental remediation measures
- Building rehabilitation and repair
- Signs or awnings that are permanently affixed to the building
- Rehabilitation and remodeling of existing tenant improvements
- Streets, streetscaping and other public infrastructure improvements
- Professional fees related to the redevelopment project
- Up to 30% of an applicant's construction period interest costs
- Job training and Welfare-to-Work programs

TERMS AND CONDITIONS

- Assistance ranges from \$25,000 to \$1,000,000. Grants are paid in annual installments to participants following project completion. The grants do not have to be repaid.
- Properties must be located in a city TIF district.
- Expenses not eligible for grants include: new construction, initial tenant build outs, minor repairs or improvements, purchase of equipment and minor site improvements.
- Applicants must be in compliance with all City of Chicago license requirements and must not be delinquent on any city, state or federal obligations.

Expenses not eligible for grants include: Wholly residential projects.

CITY INCENTIVES

SMALL BUSINESS IMPROVEMENT FUND (SBIF)

Provides funding assistance for improvements to small business properties. The program uses TIF revenues to help owners of commercial and industrial properties within specific TIF districts repair or remodel their facilities for their own business or on behalf of tenants. Program participants can receive matching grants to cover half the cost of remodeling work, with a maximum grant amount of \$50,000. The grant does not have to be repaid.

ELIGIBILITY

Expenses eligible for SBIF assistance include:

- New windows, floors or roof
- Sign removal and replacement
- Tuck pointing
- New heating, ventilation and air conditioning
- Improvements to accommodate disabled patrons or workers
- Purchase of adjacent property for building expansion or parking

Residential property, residential components of mixed-use buildings, and property leased to fast-food chains and certain other businesses are not eligible for the program. Vacant business property is eligible, but grants are not paid until the space is occupied by a business tenant.

TERMS AND CONDITIONS

- Industrial properties : A maximum of 40 full-time equivalent employees.
- Commercial properties: Maximum sales of \$1.5 million annually for the prior three years, or equivalent average.
- SBIF grants are provided to property owners after remodeling work is completed and all expenses are paid.
- Applicants must be in compliance with all City of Chicago license requirements and must not be delinquent on any city, state or federal obligations.

Applications are selected by lottery and processed by SomerCor 504 Inc., a federally certified Small Business Administration lender. For more information, contact SomerCor at (312) 360-3163.

FACADE REBATE PROGRAM

Provides rebates to eligible commercial and industrial tenants and property owners who complete qualified facade rehabilitation projects.

ELIGIBILITY

Eligible improvements include:

- Facade renovation
- Exterior lighting
- Masonry repairs and tuck pointing
- Signs and graphics
- Windows and doors
- Purchase of adjacent property for building expansion or parking
- Windows displays and awnings
- Passive security and energy conservation systems
- Truck docks

TERMS AND CONDITIONS

The program is federally funded and must meet federal and city requirements. Projects must be approved prior to beginning construction to participate in the program. Applications are available from local neighborhood business organizations. Applicants must install a minimum of \$2,000 in facade improvements to be eligible for the program. New construction is not eligible. Applicants must be in compliance with all City of Chicago license requirements and must not be delinquent on any city, state or federal obligations.

SMALL BUSINESS DEVELOPMENT LOAN FUND

The Small Business Development Loan Fund is made available through a partnership between the City of Chicago, LaSalle Bank and Chicago Community Ventures. The objective is to provide small, high-growth, young companies with loans through revenue gained from the concession sale of the Chicago Skyway.

ELIGIBILITY:

Small Chicago-based businesses with annual revenues below \$5 million. All projects must comply with city and federal regulations associated with the program.

USE OF PROCEEDS:

Equipment purchases, working capital, inventory,

10/10/2014

11/11/2019

Ineligible business include, but are not limited to: fast-food chain restaurants; national chain businesses; non-profit organizations; branch banks; employment agencies; currency exchanges, pay day loan stores; pawn shops; astrology, palm-reading; liquor stores, bars; adult bookstores, massage parlors; hotels or motels; off track wagering facilities; trailer-storage yards; and junkyards.

Contact Chicago Community Ventures at (773) 822.0320 or info@chiventures.org.

ENTERPRISE ZONE FACILITY BONDS

Provides financial assistance to qualified businesses located in federally designated Empowerment Zones. EZ Bonds may be used to finance buildings, equipment and land. EZ Bonds offers long-term tax-exempt financing up to 120 percent of the expected economic useful life of the project. Rates are lower than conventional financing.

ELIGIBILITY

Qualified businesses include almost any commercial or manufacturing business, subject to limited exclusions and special rules for certain rental property and certain businesses involving intangibles. Final determination of project eligibility and the tax-exempt status of the EZ Bonds are subject to a legal opinion issued by bond counsel. At the end of 18 months after the issuance date of the bonds, 35 percent of the company's employees must physically reside in an Empowerment Zone. Thereafter, compliance is normally tested each year.

USE OF PROCEEDS

- Purchase of land or building
- Rehabilitation or new construction
- Purchase of machinery or equipment

AMOUNT

- Up to 100 percent of eligible project costs.

SECURITY

- Payable from the facility user or credit enhancer (a bank letter of credit).

INTEREST RATE

- Exempt from most federal income tax.

TERM

- Up to 120 percent of the expected economic useful life of the project.

CITY INCENTIVES

CLASS C PROPERTY TAX CLASSIFICATION

Offers reduced property tax rates on commercial and industrial properties that have substantial environmental contamination.

TERMS AND CONDITIONS

- The property must be used for industrial and/or commercial purposes.
- The applicant must obtain a “No Further Remediation Letter” from the Illinois Environmental Protection Agency and submit a Class C application within one year.
- The remediation and other directly related costs must total at least \$100,000 or 25 percent of the market value of the real estate in the year prior to the remediation.

Qualifying properties can receive a 12-year reduction in real estate assessments from the standard Cook County industrial rate of 36 percent or commercial rate of 38 percent.

Qualifying properties are assessed at 16 percent for the first 10 years, 23 percent for the 11th year and 30 percent for the 12th year. Qualifying applicants may also apply to renew their tax reduction for an additional 10 years at 16 percent. Qualifying industrial applicants may also apply to renew their tax reduction for an additional 10 years at 16 percent .

CLASS 7(a) and 7(b) PROPERTY TAX CLASSIFICATIONS

Offers real estate tax incentives for commercial projects in specific areas.

ELIGIBILITY

The area must be designated as a Redevelopment Area, Empowerment Zone or Federal Enterprise Zone within the past 10 years. A real estate tax analysis must be completed showing that in the last six years taxes have declined, remained stagnant or have not been fully realized. A financial analysis must show the project will not move forward without a tax incentive and that it will increase employment opportunities and property tax revenues.

TERMS AND CONDITIONS

- Class 7(a): Total project costs are less than \$2 million.
- Class 7(b): Total project costs are more than \$2 million.

Qualifying properties can receive a 12-year reduction in real estate assessments from the standard Cook County commercial rate of 38 percent. Both Class 7a and Class 7b properties are assessed at 16 percent for the first 10 years, 23 percent for the 11th year and 30 percent during the 12th year.

CITY INCENTIVES

NEW MARKET TAX CREDITS (NMTC)

The New Markets Tax Credits (NMTC) program is a federal initiative that aims to generate employment and other benefits for residents of low-income communities.

The program provides federal income tax credits to financial institutions in exchange for investment in a Community Development Entity (CDE). The CDE then uses these funds to provide capital to businesses or real estate projects in qualifying areas.

The benefits of NMTC financing include:

- Interest rates that are 2 to 2.5 percentage points below market
- Loan-to-value ratios as high as 95 percent of development costs
- The potential for partial debt forgiveness

In 2006, the Chicago Development Fund (CDF), a City-controlled CDE, was awarded a \$100 million allocation of New Markets Tax Credits. CDF uses this allocation to finance projects within qualifying areas.

TERMS AND CONDITIONS

CDF will provide financing to industrial projects through its Industrial Expansion Loan Program. Loans can be provided to existing industrial businesses or to developers of multi-tenant industrial facilities. CDF hopes to finance \$33 to \$50 million of industrial projects through this program.

CDF will provide financing for cultural or community facilities, such as museums, community centers or performance venues. CDF also hopes to finance \$33 to \$50 million of such facilities.

CDF will provide financing to developers of grocery-anchored retail developments within identified “food desert” areas. CDF will finance up to \$33 million of such projects.

EMPOWERMENT ZONE PROGRAM

Offers special financing and tax incentives for qualified businesses in order to stimulate private investment and create jobs within the city's three non-contiguous Empowerment Zone areas. The areas are designated by the City of Chicago and certified by the State of Illinois to receive various tax incentives and other benefits that stimulate economic activity. The incentives can lower operating expenses and increase profits by taking advantage of the many incentives offered through the program.

INCENTIVES

- Employer wage credits of up to \$3,000 for wages and certain training expenses paid on behalf of a qualified zone resident that works within an EZ
- Tax deductions of up to \$37,500 of the cost to certain EZ property
- Tax-exempt bond financing for businesses seeking to expand within the EZ
- Employer wage credits up to \$2,100 for hiring "high-risk youth" who reside in Empowerment Zones or Enterprise Communities
- Empowerment Zone businesses that are also located in one of Chicago's Enterprise Zones may be eligible for additional benefits, including property, sales and income tax relief.

TERMS AND CONDITIONS

- Property must be located within one of Chicago's three Empowerment Zones.

STATE INCENTIVES

ENTERPRISE ZONE PROGRAM

Provides various incentives for existing businesses or businesses relocating to six non-contiguous areas across the city. The areas are designated by the City of Chicago and certified by the State of Illinois to receive various tax incentives and other benefits that stimulate economic activity. The incentives can lower operating expenses and increase profits by taking advantage of the many incentives offered through the program.

EZ INCENTIVES

Sales Tax Exemption:

A combined Chicago, Cook County and Illinois sales tax exemption is available on building materials purchased from an Illinois retailer for the renovation or new construction of real estate located within a Chicago Enterprise Zone. Contact the Department of Planning and Development's Development Support Services Division to obtain a "Certification of Eligibility for Sales Tax Exemption" and "Purchaser's Sales Tax Exemption Statement" to receive the exemption from retailers.

Investment Tax Credit(s):

An Illinois Tax credit of 0.5 percent is available for investment in machinery, equipment, and/or buildings in an Enterprise Zone. The tax credit is in addition to the 0.5 percent available to businesses located within Illinois that increase their employment by 1 percent. Companies may also obtain a Replacement Tax Investment Credit of 0.5 percent for the qualified property placed in service in Illinois. Call the Illinois Department of Revenue at 1-800-356-6302 for the appropriate form(s).

Jobs Tax Credit:

A \$500 Illinois Income Tax credit is available for each job created by a business in an Enterprise Zone. In order to claim the tax credit on its state income tax, a business must hire at least five individuals certified by the state as dislocated or disadvantaged. The certification can be done through the Mayor's Office of Workforce Development at (312)744-8787 before the person is hired. Some City of Chicago Enterprise Zones overlap the City of Chicago Federal Empowerment Zones. Contact the Department of Planning and Development to determine eligibility for Empowerment Zone job tax credits. Companies may use only one type of Jobs Tax Credit per employee.

Machinery and Equipment Sales Tax Exemption:

The State of Illinois provides a 6.25 percent state sales tax exemption on all tangible personal property which is used within an Enterprise Zone for manufacturing or assembling tangible personal property for wholesale or retail sale or lease, or in the operation of a pollution control facility. Eligibility is limited to businesses certified by the Illinois Department of Commerce and Economic Opportunity as making an investment which either creates a minimum of 200 full-time jobs in Illinois, retains a minimum of 2,000 full-time jobs in Illinois, or makes an investment of \$40 million that results in the retention of at least 90 percent of the full-time jobs in place on the date the exemption is granted.

Utility Tax Exemption:

A state utility tax exemption on gas, electricity and administrative charges is available to certified businesses that are located in Enterprise Zones. Eligibility requires an investment of at least \$5 million and the creation of a minimum of 200 full-time jobs, 150 new full-time equivalent jobs if the company made an eligible investment of \$175 million, or makes an investment of at least \$20 million in an Enterprise Zone and has retained a minimum of 1,000 full-time jobs. For more information, contact the Illinois Department of Commerce and Economic Opportunity at (217) 785-6145.

Illinois Gas Use Tax Exemption:

A Gas Use Tax is imposed on the purchase of natural gas from outside of Illinois for use or consumption (not for resale) in Illinois. The tax amount is 5 percent of the purchase price or 2.4 cents per therm of gas (whichever is less). A business must be located in an Enterprise Zone established by a county or municipality under the Illinois Enterprise Zone Act. Contact the Department of Planning and Development's Development Support Services at (312) 744-0920 to obtain a Gas Use Tax Exemption Certificate and certification verifying that the property is located within a City of Chicago Enterprise Zone.

Real Estate Transaction Tax Exemption:

A Chicago Transaction Tax Exemption is available within an Enterprise Zone for transfer of title of real property that's used primarily for commercial or industrial purposes. The Chicago Transaction Tax is currently \$7.50 per \$1,000 of acquisition price. This exemption can be taken by checking off the appropriate box on the City of Chicago Transaction Tax Real Property Transfer form at the time of closing.

Income Tax Deduction for Financial Institutions:

Financial institutions in Illinois, such as banks and savings and loans, are eligible for a special deduction from their Illinois corporate income tax return. Such institutions may deduct from their taxable income an amount equal to the interest received from a loan for development in an Enterprise Zone. The amount is limited to the interest earned on loans secured by properties which are eligible for the Enterprise Zone investment tax credit.

Corporate Contribution Deduction:

The Illinois Enterprise Zone Act provides that a municipality may designate one or more community-based organizations to be a Designated Zone Organization ("DZO"). When authorized by local ordinance, and with the approval of the Department of Commerce and Economic Opportunity, an approved DZO may solicit and receive cash or in-kind corporate contributions for approved projects. Corporations that make donations to a qualified Designated Zone Organization may claim in their State of Illinois tax returns, an income tax deduction at double the value of the contribution. The contribution must qualify as a charitable contribution under section 170, Subsection (C), of the Internal Revenue Code. In addition, the state must approve the amount and type of the contribution that may be claimed as a deduction.

DEPARTMENT OF PLANNING & DEVELOPMENT CONTACTS

